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Employment falls 594,300 in April to 12.4 million

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Source: <u>Labour Force, Australia, April 2020</u>

Seasonally adjusted employment fell by 594,300 people between March and April, according to the Australian Bureau of Statistics. Large changes were seen across all labour market indicators in April.

"The large drop in employment did not translate into a similar sized rise in the number of unemployed people because around 489,800 people left the labour force", stated Bjorn Jarvis, head of labour statistics at the ABS.

Unemployment increased by 104,500 people to 823,300, and the unemployment rate increased by 1.0 percentage point from 5.2 per cent to 6.2 per cent.

The larger than usual number of employed and unemployed people leaving the labour force resulted in an unprecedented fall in the participation rate by 2.4 percentage points to 63.5 per cent.

"This means there was a high number of people without a job who didn't or couldn't actively look for work or weren't available for work", Mr Jarvis said.

The impact of the COVID-19 pandemic on hours worked was also extensive. Total hours worked fell by around 9.2 per cent between March and April.

When taken together with people leaving the workforce, around 2.7 million people (about 1 in 5 people employed in March) either left employment or had their hours reduced between March and April. This was much greater than in previous years.

As a result, the number of underemployed people also rose sharply (up 603,300 people, to a total of 1.8 million people), and the underemployment rate rose to a record high 13.7 per cent (up 4.9 percentage points).

The underutilisation rate, which combines the unemployment and underemployment rates, also rose to a record high of 19.9 per cent.

The falls in employment and hours in April were consistent with the fall in payroll jobs for employers reporting through the Single Touch Payroll system published in the recent releases of Weekly Payroll Jobs and Wages in Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/8BD9B2A4C769D698CA25856C00207A50?opendocument). That data showed a fall of around 607,000 paid jobs in Single Touch Payroll enabled employers over the same period.

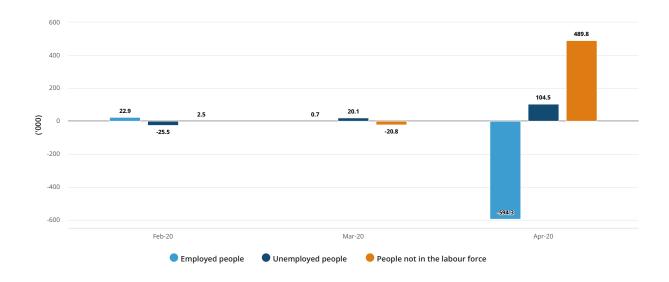
The Labour Force release includes additional analysis, including:

- hours worked; and
- comparisons with US and Canadian data for April 2020.

More details are in the April 2020 issue of <u>Labour Force</u>, <u>Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0)</u>. Further information, including regional labour market information, will be available in the upcoming April 2020 issue of <u>Labour Force</u>, <u>Australia</u>, <u>Detailed (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6291.0.55.001)</u>, due for release on 21 May 2020.

The ABS would like to thank Australians for their continued support in responding to our surveys during such a difficult time, given how critically important this information is.

Chart 1 - Monthly changes in key populations



Media note

- The ABS has suspended publishing trend series for the COVID-19 period.
- Labour Force Survey response remained high in April, with an overall decline in response of less than 1,000 households, largely concentrated within the incoming rotation group. Given there was a decrease in response in that group, the ABS made the decision to reduce the influence of the incoming rotation group this month.
- Further information on additional labour market statistics can be found in 'Measuring the labour market impacts of COVID-19'; part of the suite of useful information available on the ABS website (https://www.abs.gov.au/covid19).
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